

Tab E

Indirect Cost Rate



United States Department of the Interior

NATIONAL BUSINESS CENTER

Indirect Cost Services

2180 Harvard Street, Suite 430

Sacramento, CA 95815



August 28, 2012

Ms. Mary Zdanowicz, Executive Director
Association of State and Territorial Solid
Waste Management Officials, Inc.
444 North Capitol Street, N.W., Suite 315
Washington, D.C. 20001

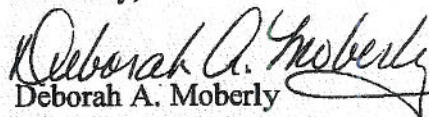
Dear Ms. Zdanowicz:

We reviewed the revised indirect cost rate proposal for the fiscal years (FYs) ending September 30, 2011 and 2013. We are prepared to approve a final rate of 57.40 percent for FY 2011 for all programs and a provisional rate for FY 2013 at the same percentage as the FY 2011 final rate. These rates are based on total direct salaries and wages, including fringe benefits. The result of our review is summarized in the enclosed Exhibit. If you agree with the contents, **please sign and return the two copies** of the Indirect Cost Negotiation Agreement to us to complete the negotiation process. I will then sign and return one copy to you.

Provisional rates are required to be finalized within six months after the close of each fiscal year. Accordingly, a proposal containing actual costs for FY 2012 is due in our office before April 1, 2013. The final rate proposal must be based on and reconcilable to financial statements that meet the requirements of the Single Audit Act of 1984, Public Law 98-502, as amended. In addition, as long as you continue to receive federal funding, new indirect cost rate proposals are required to obtain approved rates. Therefore, your FY 2014 provisional rate proposal should accompany the FY 2012 final rate proposal. You may use your FY 2012 final rate proposal (actual costs) as the basis for negotiating your FY 2014 provisional rate, or you may submit a new proposal based on budgetary data or combination thereof. For information and updates on filing indirect cost proposals, please visit our Web site at <http://www.aqd.nbc.gov/ics>.

If you have any questions concerning the agreement or this letter, please write or call Ms. Muberra Guvenc, Negotiator, at (916) 566-7007.

Sincerely,


Deborah A. Moberly
Indirect Cost Coordinator

Enclosures: Exhibit and Negotiation Agreement

Ref: J:\Contracts\EPA\Asts155\Asts-Na.11F&13P.docx

Phone: (916) 566-7111
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Internet: <http://www.aqd.nbc.gov/ics>

Revised 3/7/02

**Nonprofit Organization
Indirect Cost Negotiation Agreement**

EIN: 23-7446280

Organization:

Association of State and Territorial Solid
Waste Management Officials, Inc.
444 North Capitol Street, N.W., Suite 315
Washington, D.C. 2001

Date:

Report No(s) .:

Filing Ref.:

Last Negotiation Agreement
dated June 1, 2011

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 230 (OMB Circular A-122) applies, subject to the limitations in Section II.A. of this agreement. The rates are negotiated by the U.S. Department of the Interior, National Business Center, and the subject organization in accordance with the authority contained in 2 CFR 230.

Section I: Rates

Type	Effective Period		Rate*	Locations	Applicable To
	From	To			
Final	10/01/10	09/30/11	57.40%	All	All Programs
Provisional	10/01/12	09/30/13	57.40%	All	All Programs

***Base:** Total direct salaries and wages, including fringe benefits.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Treatment of paid absences: The costs of vacation, holiday, sick leave pay and other paid absences are included in the organization's fringe benefit rate and are not included in the direct cost of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, holiday, sick leave or are otherwise absent from work.

Section II: General

Page 1 of 3

A. Limitations: Use of the rates contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rates agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. Audit: All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. Changes: The rates contained in this agreement are based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rates in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

D. Provisional/Final Rates: Within 6 months after year end, a final rate must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.

E. Agency Notification: Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

F. Record Keeping: Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

G. Reimbursement Ceilings: Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.

H. Use of Other Rates: If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rates in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate should be used to identify the maximum amount of indirect cost allocable to these programs.

I. Central Service Costs: Where central service costs are estimated for the calculation of indirect cost rates, adjustments will be made to reflect the difference between provisional and final amounts.

J. Other:

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. This negotiation agreement is entered into under the terms of an Interagency Agreement between the U.S. Department of the Interior and the U.S. Environmental Protection Agency. No presumption of federal cognizance over audits or indirect cost negotiations arises as a result of this Agreement.

4. New indirect cost proposals are necessary to obtain approved indirect cost rates for future fiscal or calendar years. The proposals are due in our office 6 months prior to the beginning of the year to which the proposed rates will apply.

Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the Nonprofit Organization:

Association of State and Territorial
Solid Waste Management Officials, Inc.
Grantee/Contractor

Mary T. Zdanowicz /s/
Signature
MARY T. ZDANOWICZ
Name (Type or Print)

EXECUTIVE DIRECTOR
Title

9/11/12
Date

For the Cognizant Federal Government
Agency:

U.S. Environmental Protection Agency
Cognizant Agency

Deborah A. Moberly /s/
Signature

Deborah A. Moberly
Name

Indirect Cost Coordinator
Indirect Cost Services

Indirect Cost Services
Title

U.S. Department of the Interior

National Business Center

Negotiating Agency

Date

Negotiated by Muberra Guvenc

Telephone (916) 566-7007

**Association of State and Territorial Solid
Waste Management Officials, Inc.
FY 2011 Final and FY 2013 Provisional Rate Computations**

Exhibit

Title/Description	FY 2011 Final	FY 2013 Provisional
Indirect Cost Pools	<u>\$395,553</u>	<u>\$395,553</u>
Direct Salaries and Fringes Bases	<u>\$689,173</u>	<u>\$689,173</u>
Indirect Cost Rates	<u>57.40%</u>	<u>57.40%</u>

Note: As requested by the Association of State and Territorial Solid Waste Management Officials, Inc., the FY 2013 provisional rate is based on the FY 2011 final rate.